

## Bond Market Survey (November 2024)

Survey period: From November 1 to November 8, 2024

Number of respondents<sup>1</sup>: 74

<sup>1</sup> Eligible institutions for the Bank of Japan's outright purchases and sales of JGBs and major insurance companies, asset management companies, etc.

### 1. Bond Market Functioning (Answer the following questions considering the secondary JGB market.)

#### (1) The degree of bond market functioning from your company's viewpoint<sup>2</sup>

<sup>2</sup> Answer these questions taking into account your answers to (2)a. to g. as a whole.

(Current situation)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI <sup>3</sup>	-23	-20	/	
Percentage	1. High	3	3	2
	2. Not very high	71	74	55
	3. Low	26	23	17

<sup>3</sup> DI: Diffusion Index of "1" minus "3", %points. The same applies hereafter.

(Change from three months ago)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI	-8	9	/	
Percentage	1. Has improved	3	12	9
	2. Hasn't really improved	86	85	63
	3. Has decreased	11	3	2

#### (2) Factors related to bond market functioning and liquidity

##### a. The bid-ask spread from your company's viewpoint

(Current situation)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI	-39	-30	/	
Percentage	1. Tight	3	4	3
	2. Not very tight	56	62	46
	3. Wide	42	34	25

(Change from three months ago)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI	-17	3	/	
Percentage	1. Has tightened	1	7	5
	2. Hasn't really tightened	81	89	66
	3. Has widened	18	4	3

##### b. The order quantity by market participants from your company's viewpoint, taking into account "thickness" of the trading board<sup>4</sup>

(Current situation)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI	-40	-38	/	
Percentage	1. Large	3	1	1
	2. Not very large	54	59	44
	3. Small	43	39	29

(Change from three months ago)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI	-10	-4	/	
Percentage	1. Has increased	1	4	3
	2. Hasn't really increased	88	88	65
	3. Has decreased	11	8	6

<sup>4</sup> "Thickness" of the trading board refers to the order quantity for each bid and ask price.

##### c. The dealing frequency of your company<sup>5</sup>

(Current situation)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI	-12	-10	/	
Percentage	1. High	10	9	7
	2. Not very high	68	72	53
	3. Low	22	19	14

<sup>5</sup> Answer dealing frequency with the same counterparty.

(Change from three months ago)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI	1	2	/	
Percentage	1. Has increased	8	11	8
	2. Hasn't really increased	85	80	59
	3. Has decreased	7	9	7

##### d. The number of your dealing counterparties

(Current situation)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI	-12	-8	/	
Percentage	1. Large	3	4	3
	2. Not very large	82	84	62
	3. Small	15	12	9

(Change from three months ago)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI	1	-4	/	
Percentage	1. Has increased	8	7	5
	2. Hasn't really increased	85	82	61
	3. Has decreased	7	11	8

##### e. The lot size of your company

(Current situation)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI	-18	-20	/	
Percentage	1. Large	6	4	3
	2. Not very large	71	72	53
	3. Small	24	24	18

(Change from three months ago)		(%,%points)		
	Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents	
DI	-2	-4	/	
Percentage	1. Has increased	6	4	3
	2. Hasn't really increased	86	88	65
	3. Has decreased	8	8	6

f. Is your company able to make dealings with expected prices?

(Current situation)

		(%,%points)		
		Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents
DI		10	9	
Percentage	1. Yes	25	27	20
	2. Not really	60	55	41
	3. No	15	18	13

g. Is your company able to make dealings with expected dealing lots?

(Current situation)

		(%,%points)		
		Aug. 2024 Survey	Nov. 2024 Survey	Number of respondents
DI		9	10	
Percentage	1. Yes	30	32	23
	2. Not really	49	47	34
	3. No	21	22	16

## 2. Outlook for Long-Term Interest Rates

(1) The outlook for newly issued JGB yields at each following point

(Newly issued 2-year JGB yield)

< Number of respondents : 72 >	(%)					
	End-Dec. 2024	End-Mar. 2025	End-Jun. 2025	End-Sep. 2025	End-Mar. 2026	End-Mar. 2027
Average	0.53	0.61	0.69	0.75	0.83	0.92
Third quartile (75th percentile)	0.60	0.65	0.76	0.86	1.00	1.10
Median	0.50	0.60	0.70	0.75	0.80	0.98
First quartile (25th percentile)	0.50	0.57	0.60	0.65	0.70	0.70

(Newly issued 5-year JGB yield)

< Number of respondents : 72 >	(%)					
	End-Dec. 2024	End-Mar. 2025	End-Jun. 2025	End-Sep. 2025	End-Mar. 2026	End-Mar. 2027
Average	0.69	0.77	0.84	0.91	0.98	1.09
Third quartile (75th percentile)	0.75	0.80	0.95	1.00	1.20	1.29
Median	0.70	0.75	0.80	0.90	0.95	1.08
First quartile (25th percentile)	0.65	0.70	0.75	0.80	0.80	0.84

(Newly issued 10-year JGB yield)

< Number of respondents : 73 >	(%)					
	End-Dec. 2024	End-Mar. 2025	End-Jun. 2025	End-Sep. 2025	End-Mar. 2026	End-Mar. 2027
Average	1.07	1.14	1.20	1.25	1.32	1.41
Third quartile (75th percentile)	1.10	1.20	1.30	1.35	1.50	1.60
Median	1.05	1.10	1.20	1.20	1.30	1.40
First quartile (25th percentile)	1.00	1.10	1.10	1.15	1.19	1.18

(Newly issued 20-year JGB yield)

< Number of respondents : 72 >	(%)					
	End-Dec. 2024	End-Mar. 2025	End-Jun. 2025	End-Sep. 2025	End-Mar. 2026	End-Mar. 2027
Average	1.86	1.91	1.96	1.99	2.02	2.08
Third quartile (75th percentile)	1.90	1.96	2.03	2.10	2.10	2.20
Median	1.85	1.90	1.95	2.00	2.00	2.10
First quartile (25th percentile)	1.80	1.85	1.90	1.90	1.95	1.95

(Newly issued 30-year JGB yield)

< Number of respondents : 71 >	(%)					
	End-Dec. 2024	End-Mar. 2025	End-Jun. 2025	End-Sep. 2025	End-Mar. 2026	End-Mar. 2027
Average	2.23	2.27	2.31	2.32	2.35	2.38
Third quartile (75th percentile)	2.30	2.30	2.40	2.40	2.50	2.50
Median	2.20	2.25	2.30	2.30	2.40	2.40
First quartile (25th percentile)	2.20	2.20	2.25	2.25	2.25	2.25

(2) The probability distribution forecast<sup>6</sup> of the newly issued 10-year JGB yield at end-Mar. 2026 and end-Mar. 2027

	(%)									
	≤ 0.00%	0.01~0.25%	0.26~0.50%	0.51~0.75%	0.76~1.00%	1.01~1.25%	1.26~1.50%	1.51~1.75%	1.76~2.00%	2.01% ≤
End-Mar. 2026 (72 respondents)	0.1	0.1	0.7	4.3	16.2	31.8	29.1	12.1	4.2	1.5
End-Mar. 2027 (72 respondents)	0.1	0.2	0.8	4.5	10.8	25.2	26.8	18.3	8.9	4.5

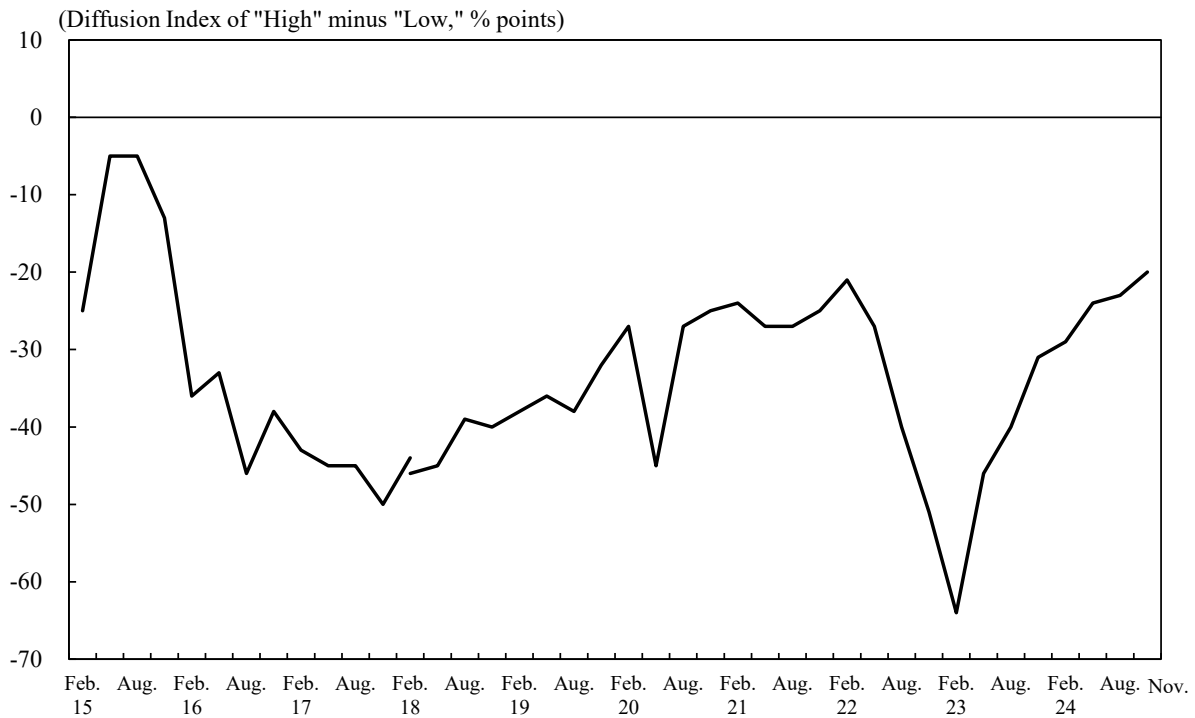
<sup>6</sup> Arithmetic average

Note: The next survey's publication date is March 3, 2025

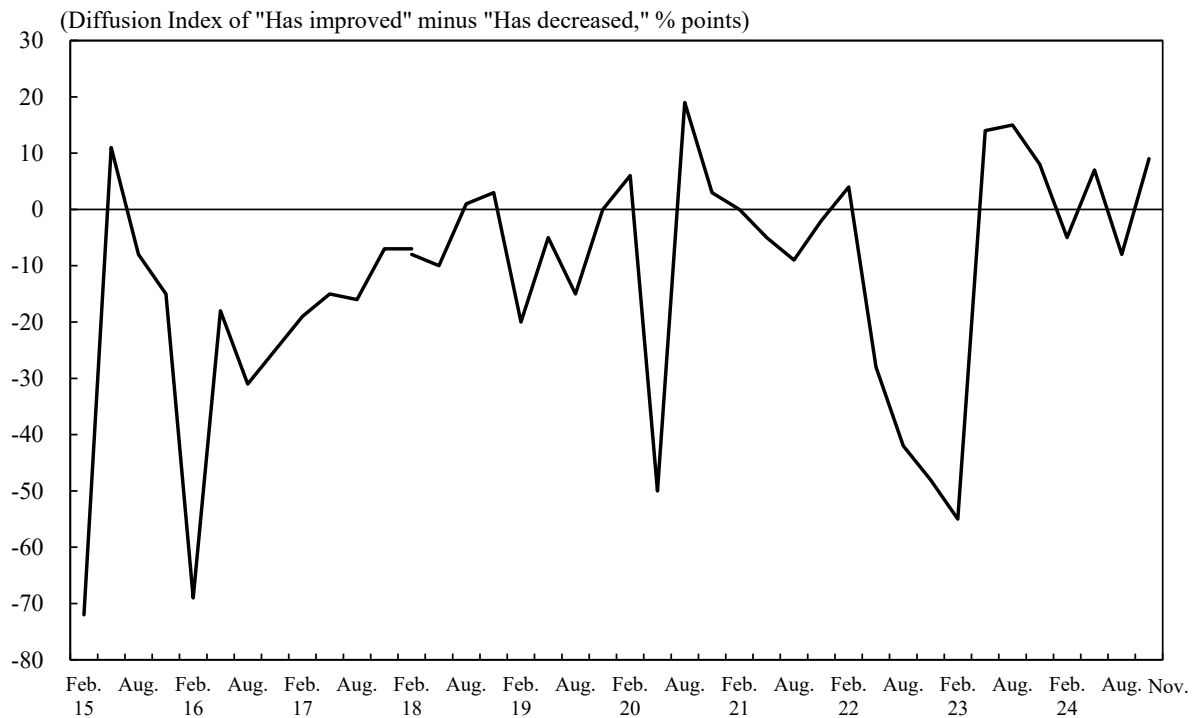
Inquiries: Market Infrastructure Group, Market Infrastructure Division, Financial Markets Department  
E-mail: post.fmd29@boj.or.jp

# Degree of Bond Market Functioning

## Current situation



## Change from three months ago



- Notes: 1. The survey from February 2018 onward includes responses from major insurance companies, asset management companies, etc., in addition to those from eligible institutions for the Bank's outright purchases and sales of JGBs. Regarding the figures for February 2018, the reference data, which are based on responses only from eligible institutions for the Bank's outright purchases and sales of JGBs, are also indicated.
2. The survey is conducted in February, May, August, and November each year.